



March 20, 2008

# FINAL RESULTS FOR 2007: CONFIRMATION OF THE FIGURES PUBLISHED AT THE END OF JANUARY 2008

#### Strong upswing in 2007 results outperforming targets

► SALES: +4.4% (€43,421 million)

+5.8% at constant exchange rates\*

+5.0% at constant structure and exchange rates\*

► OPERATING INCOME: +10.6% (€4,108 million)

+11.4% at constant exchange rates\*

► RECURRING NET INCOME\*\*: +24.2% (€2,114 million)

#### 2008 objectives: continuing growth drive

► MODEST GROWTH IN <u>OPERATING INCOME</u> (at constant exchange rates\*) AND RECURRING NET INCOME\*\*

## 2007 DIVIDEND\*\*\*: €2.05 PER SHARE, UP 20.6%

\*\*\* dividend recommended by the Board of Directors for 2007 to be put to the vote of the Annual General Meeting on June 5, 2008

<sup>\*</sup> based on average exchange rates for 2006

<sup>\*\*</sup> excluding capital gains, asset write-downs and the €694 million provision for Flat Glass fines (European Commission)

<sup>\*</sup> based on average exchange rates for 2007

<sup>\*\*</sup> excluding capital gains, asset write-downs and the Flat Glass fines (European Commission)

The Group's 2007 consolidated financial statements were adopted by Saint-Gobain's Board of Directors at its meeting of Thursday March 20, 2008.

#### 2007 consolidated financial statements

The key consolidated data for the Group, as well as the results by business sector and geographical area set out in the appendix, are the same as the estimated figures published at the end of January (\*\*), and are summarized below:

	2006 € millions (1)	2007 € millions (2)	% change (2)/(1)
Sales and ancillary revenue	41,596	43,421	+4.4%
Operating income	3,714	4,108	+10.6%
Non-operating costs* Provision for Flat Glass fines Capital gains and losses and exceptional asset	(367) 0	(290)* (694)	n.m.
write-downs	(27)	30	n.m.
Dividends received Business income	2 3,322	2 3,156	n.m. -5.0%
Net financial expense	(748)	(701)	-6.3%
Income tax	(899)	(926)	+3.0%
Share in net income of associates	7	14	n.m.
Income before minority interests	1,682	1,543	-8.3%
Minority interests	(45)	(56)	+24.4%
Recurring net income**	1,702	2,114	+24.2%
Recurring** earnings per share (1) (in €)	4.62	5.65	+22.3%
Net income	1,637	1,487	-9.2%
Earnings per share (1) (in €)	4.44	3.97	-10.6%
Cash flow from operations*	3,347	3,762	+12.4%
Cash flow from operations excluding capital gains tax**	3,374	3,712	+10.0%
Depreciation and amortization	1,717	1,875	+9.2%
Capital expenditure	2,191	2,273	+3.7%
Free cash flow (excluding capital gains tax)**	1,183	1,439	+21.6%
Investments in securities	584	965	+65.2%
Net debt	11,599	9,928	-14.4%
1101 0001	11,000	0,020	14.470

<sup>\*</sup> excluding the provision for Flat Glass fines (European Commission).

All of the comments published at the end of January (\*\*) regarding the Group's consolidated financial statements therefore apply to the final figures.

<sup>\*\*</sup> excluding capital gains and losses, asset wite-downs and the provision for Flat Glass fines (European Commission).

<sup>(1)</sup> calculated based on the number of shares outstanding at December 31 (374,216,152 shares in 2007 versus 368,419,723 in 2006). Based on the weighted average number of shares outstanding (367,124,675 shares in 2007 versus 341,048,210 shares in 2006), recurring earnings per share comes out at €5.76 (compared with €4.99 in 2006), and earnings per share comes out at €4.05 (compared with €4.80 in 2006).

<sup>(\*\*)</sup> The press release published at the end of January 2008 detailing the Group's estimated 2007 results is available on the Saint-Gobain website (<u>www.saint-gobain.com</u>).

#### **Annual General Meeting**

The Board of Directors also adopted the accounts of Compagnie de Saint-Gobain, the Group's parent company.

At the Annual General Meeting called for June 5, 2008, the Board will recommend a dividend payout of €758\* million, representing 36% of recurring net income, and equivalent to a **dividend** per share of €2.05, **up 20.6% on 2006**. Based on the closing share price on March 20, 2008 (€47.47), this dividend would represent a net yield of 4.3%. The dividend will be paid entirely in cash on June 19, 2008.

\* This amount is based on the number of shares with dividend right as of February 29, 2008

#### 2008 outlook and objectives

The Group confirms its objectives as published at the end of January 2008:

- modest growth in operating income at constant exchange rates (average exchange rates for 2007) and recurring net income\*\*;
- a solid financial structure and continuing high levels of free cash flow.
- \*\* excluding capital gains, asset write-downs and Flat Glass fines (European Commission)

#### Forthcoming results announcement

- Sales for the first quarter of 2008: April 22, 2008, after close of trading on the Paris Bourse.

\* \*

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## Appendix 1: Results by Business Sector and geographic area

I. SALES	2006 (in EUR m)	2007 (in EUR m)	Change on an actual structure basis	Change on a comparable structure basis	Change on a comparable structure and currency basis
By sector and division:					
Flat Glass	5,083	5,611	+10.4%	+10.5%	+11.2%
High Performance Materials (1)	4,938	4,752	-3.8%	-1.6%	+2.2%
Ceramics & Plastics and Abrasives	3,589	3,584	-0.1%	+0.4%	+4.5%
Reinforcements (2)	1,365	1,182	-13.4%	-7.2%	-4.2%
Construction Products (1)	10,876	11,112	+2.2%	+0.4%	+2.5%
Interior Solutions (*)	6,424	6,628	+3.2%	+1.2%	+2.9%
Exterior Solutions (*)	4,476	4,516	+0.9%	-0.7%	+2.1%
<b>Building Distribution</b>	17,581	19,480	+10.8%	+5.7%	+5.7%
Packaging (3)	4,080	3,546	-13.1%	+2.5%	+5.5%
Internal sales and misc.	-962	-1,080	n.m.	n.m.	n.m.
GROUP TOTAL	41,596	43,421	+4.4%	+3.7%	+5.0%

<sup>(1)</sup> including intra-sector eliminations

<sup>(\*)</sup> See Appendix 3 for details

By geographic area :					
France	12,528	12,931	+3.2%	+5.2%	+5.2%
Other Western European countries	18,448	19,905	+7.9%	+5.8%	+6.0%
North America	6,790	5,793	-14.7%	-14.6%	-7.1%
Emerging countries and Asia	5,933	6,921	+16.7%	+15.7%	+16.5%
Internal sales	-2,103	-2,129	n.m.	n.m.	n.m.
GROUP TOTAL	41,596	43,421	+4.4%	+3.7%	+5.0%

II. OPERATING INCOME	2006 (in EUR m)	2007 (in EUR m)	Change on an actual structure basis	2006 (in % of sales)	2007 (in % of sales)
By sector and division:					
Flat Glass	480	717	+49.4%	9.4%	12.8%
High Performance Materials	500	585	+17.0%	10.1%	12,3%
Ceramics & Plastics and Abrasives	468	485	+3.6%	13.0%	13.5%
Reinforcements (1)	32	100	n.m.	2.3%	8.5%
<b>Construction Products</b>	1,376	1,313	-4.6%	12.7%	11.8%
Interior Solutions (*)	1,028	980	-4.7%	16.0%	14.8%
Exterior Solutions (*)	348	333	-4.3%	7.8%	7.4%
<b>Building Distribution</b>	1,001	1,102	+10.1%	5.7%	5.7%

<sup>(2)</sup> of which Reinforcements and Composites businesses (sold on November 1st, 2007): €671m in 2006 and €593m in 2007 before interbusinesses eliminations

<sup>(3)</sup> of which Desjonquères (sold on March 31, 2007) and Calmar (sold on July 1, 2006) : €760m in 2006 and €148m in 2007

Packaging (2)	376	401	+6.6%	9.2%	11.3%
Miscellaneous	-19	-10	n.m.	n.m.	n.m.
GROUP TOTAL	3,714	4,108	+10.6%	8.9%	9.5%

- (1) of which Reinforcements and Composites businesses (sold on November 1st, 2007): €11m in 2006 and €49m in 2007
- (2) of which Desjonquères (sold on March 31, 2007) and Calmar (sold on July 1, 2006) : €72m in 2006 and €23m in 2007
- (\*) See Appendix 3 for details

By geographic area:					
France	970	1,096	+13.0%	7.7%	8.5%
Other Western European countries	1,506	1,869	+24.1%	8.2%	9.4%
North America	701	344	-50.9%	10.3%	5.9%
Emerging countries and Asia	537	799	+48.8%	9.1%	11.5%
GROUP TOTAL	3,714	4,108	+10.6%	8.9%	9.5%

III. BUSINESS INCOME	2006 (in EUR m)	2007 (in EUR m)	Change on an actual structure basis	2006 (in % of sales)	2007 (in % of sales)
By sector and division:					
Flat Glass	455	-49 (a)	n.m.	9.0%	-0.9%
High Performance Materials	416	333	-20.0%	8.4%	7.0%
Ceramics & Plastics and Abrasives	411	482	+17.3%	11.5%	13.4%
Reinforcements (1)	5	-149 (b)	n.m.	0.4%	n.m.
Construction Products	1,229	1,243	+1.1%	11.3%	11.2%
Interior Solutions (*)	989	962	-2.7%	15.4%	14.5%
Exterior Solutions (*)	240	281	+17.1%	5.4%	6.2%
<b>Building Distribution</b>	979	1,069	+9.2%	5.6%	5.5%
Packaging (2)	379	688 (c)	n.m.	9.3%	n.m.
Miscellaneous	-136	-128 (d)	n.m.	n.m.	n.m.
GROUP TOTAL	3,322	3,156	-5.0%	8.0%	7.3%

- (a) after a provision of €694m for the flat glass fines (European Commission)
- (b) after  $\in$  190 m of asset write-downs related to the disposal of the Reinforcements & Composites businesses
- (c) after €283m of capital gains following the disposal of Desjonquères
- (d) after asbestos-related charge (before tax) of  $\in$  90m in 2007 versus  $\in$  95m in 2006
- (\*) See Appendix 3 for details

By geographic area :					
France	883	816(a)	-7.6%	7.0%	6.3%
Other Western European countries	1,457	1,536(a)	+5,4%	7.9%	7.7%
North America	481	109(b)	-77.3%	7.1%	1.9%
Emerging countries and Asia	501	695	+38.7%	8.4%	10.0%
GROUP TOTAL	3,322	3,156	-5.0%	8.0%	7.3%

- (a) after a provision of  $\in\!694m$  for the flat glass fines (European Commission)
- (b) after asbestos-related charge (before tax) of € 90m in 2007 versus € 95m in 2006

IV. CASH FLOW	2006 (in EUR m)	2007 (in EUR m)	Change on an actual structure basis	2006 (in % of sales)	2007 (in % of sales)
By sector and division:					
Flat Glass High Performance Materials	529 432	677 487	+28.0% +12.7%	10.4% 8.7%	12.1% 10.2%
Ceramics & Plastics and Abrasives	363	396	+9.1%	10.1%	11.0%
Reinforcements (1)	69	91	+31.9%	5.1%	7.7%

<b>Construction Products</b>	1,048	1,060	+1.1%	9.6%	9.5%
Interior Solutions (*)	726	739	+1.8%	11.3%	11.1%
Exterior Solutions (*)	322	321	-0.3%	7.2%	7.1%
<b>Building Distribution</b>	817	825	+1.0%	4.6%	4.2%
Packaging (2)	402	425	+5.7%	9.9%	12.0%
Miscellaneous	119	288	n.m.	n.m.	n.m.
GROUP TOTAL	3,347	3,762	+12.4%	8.0%	8.7%

- (1) of which Reinforcements and Composites businesses (sold on November 1st, 2007): €25m in 2006 and €25m in 2007
- (2) of which Desjonquères (sold on March 31, 2007) and Calmar (sold on July 1, 2006) : €63m in 2006 and €14m in 2007
- (\*) See Appendix 3 for details

By geographic area:					
France	733	866	+18.1%	5.9%	6.7%
Other Western European countries	1,446	1,731	+19.7%	7.8%	8.7%
North America	573	401 (a)	-30.0%	8.4%	6.9%
Emerging countries and Asia	595	764	+28.4%	10.0%	11.0%
<b>GROUP TOTAL</b>	3,347	3,762	+12.4%	8.0%	8.7%

(a) after asbestos-related charge (after tax) of € 55m in 2007 versus € 64m in 2006

			Change on		
V. CAPITAL EXPENDITURE	2006	2007	an actual	2006	2007
	(in EUR m)	(in EUR m)	structure	(in % of sales)	(in % of sales)
		,	basis	· ·	,
By sector and division:					
_					
Flat Glass	448	523	+16.7%	8.8%	9.3%
High Performance Materials	225	238	+5.8%	4.6%	5.0%
Ceramics & Plastics and Abrasives	161	192	+19.3%	4.5%	5.4%
Reinforcements (1)	64	46	-28.1%	4.7%	3.9%
<b>Construction Products</b>	844	830	-1.7%	7.8%	7.5%
Interior Solutions (*)	632	621	-1.7%	9.8%	9.4%
Exterior Solutions (*)	212	209	-1.4%	4.7%	4.6%
<b>Building Distribution</b>	315	353	+12.1%	1.8%	1.8%
Packaging (2)	335	309	-7.8%	8.2%	8.7%
Miscellaneous	24	20	n.m.	n.m.	n.m.
GROUP TOTAL	2,191	2,273	+3.7%	5.3%	5.2%

- (1) of which Reinforcements and Composites businesses (sold on November 1st, 2007): €40m in 2006 and €22m in 2007
- (2) of which Desjonquères (sold on March 31, 2007) and Calmar (sold on July 1, 2006) :  $\le 53m \text{ in } 2006 \text{ and } \le 14m \text{ in } 2007$
- (\*) See Appendix 3 for details

By geographic area :					
France	485	536	+10.5%	3.9%	4.1%
Other Western European countries	749	698	-6.8%	4.1%	3.5%
North America	363	368	+1.4%	5.3%	6.4%
Emerging countries and Asia	594	671	+13.0%	10.0%	9.7%
GROUP TOTAL	2,191	2,273	+3.7%	5.3%	5.2%

## **Appendix 2: Consolidated Balance Sheet**

Assets Goodwill Other intangible assets Property, plant and equipment Investments in associates Deferred tax assets	9,240 3,125 12,753	9,327 3,202
Goodwill Other intangible assets Property, plant and equipment Investments in associates	3,125 12,753	,
Other intangible assets Property, plant and equipment Investments in associates	3,125 12,753	,
Property, plant and equipment Investments in associates	12,753	i 3.ZUZ
Investments in associates	· ·	12,769
	123	238
	328	348
Other non-current assets	472	390
Non-current assets	26,041	26,274
Inventories	5,833	5,629
Trade accounts receivable	6,211	6,301
Current tax receivable	173	66
Other accounts receivable	1,481	1,390
Assets held for sale	105 (*)	548
Cash and cash equivalents	1,294	1,468
Current assets	15,097	15,402
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Total assets	41,138	41,676
Liabilities and Shareholders' equity		
Capital stock	1,497	1,474
Additional paid-in capital and legal reserve	3,617	3,315
Retained earnings and net income for the year	10,625	9,562
Cumulative translation adjustments	(564)	140
Fair value reserves	8	(20)
Treasury stock	(206)	(306)
Shareholders' equity	14,977	14,165
Minority interests	290	322
Total equity	15,267	14,487
Long-term debt	8,747	9,877
Provisions for pensions and other employee benefits	1,807	2,203
Deferred tax liabilities	1,277	1,222
Provisions for other liabilities and charges	923	936
Non-current liabilities	12,754	14,238
Current portion of long-term debt	971	993
Current portion of provisions for other liabilities and	1,107	467
charges	·	
Trade accounts payable	5,752	5,519
Current tax liabilities	317	190
Other accounts payable	3,425	3,336
Liabilities held for sale Short-term debt and bank overdrafts	41 (*) 1,504	249 2,197
Current liabilities	13,117	12,951

Total equity and liabilities	41,138	41,676

(\*) SG VTX America Plastic

# **Appendix 3 : Construction Products sector - details**

The activities of the Construction Products sector are henceforth presented in two sub-groups: Interior Solutions, (Insulation and Gypsum), and Exterior Solutions, (Building Materials and Pipe).

I. SALES	2006 (in	2007	Change on an actual	Change on a comparable	Change on a comparables
	EURm)	(in EURm)	structure basis	structure basis	structure and currency basis
Interior Solutions	6,424	6,628	+3.2%	+1.2%	+2.9%
Insulation	2,542	2,785	+9.5%	+1.9%	+3.8%
Gypsum	3,895	3,864	-0.8%	+0.9%	+2.5%
internal sales	-13	-21	n.m.	n.m.	n.m.
Exterior Solutions	4,476	4,516	+0.9%	-0.7%	+2.1%
Building Materials	2,694	2,603	-3.4%	-5.2%	-0.9%
Pipe	1,783	1,913	+7.3%	+5.9%	+6.4%
internal sales	-1	-	n.m.	n.m.	n.m.
Eliminations	-24	-32	n.m.	n.m.	n.m.
Construction Products sector	10,876	11,112	+2.2%	+0.4%	+2.5%

			Change on		
II. OPERATING INCOME	2006 (in	2007	an actual	2006	2007
	EURm)	(in EURm)	structure	(as % of sales)	(as % of sales)
			basis		
Interior Solutions	1,028	980	-4.7%	16.0%	14.8%
Insulation	379	442	+16.6%	14.9%	15.9%
Gypsum	649	538	-17.1%	16.7%	13.9%
Exterior Solutions	348	333	-4.3%	7.8%	7.4%
Building Materials	208	167	-19.7%	7.7%	6.4%
Pipe	140	166	+18.6%	7.9%	8.7%
<b>Construction Products sector</b>	1,376	1,313	-4.6%	12.7%	11.8%

			Change on		
III. BUSINESS INCOME	2006	2007	an actual	2006	2007
	(in EURm)	(in EURm)	structure basis	(as % of sales)	(as % of sales)
Interior Solutions	989	962	-2.7%	15.4%	14.5%
Insulation	341	430	+26.1%	13.4%	15.4%
Gypsum	648	532	-17.9%	16.6%	13.8%
Exterior Solutions	240	281	+17.1%	5.4%	6.2%
Building Materials	170	129	-24.1%	6.3%	5.0%
Pipe	70	152	+117.1%	3.9%	7.9%
Construction Products sector	1,229	1,243	+1.1%	11.3%	11.2%

			Change on			
IV. CASH FLOW	2006	2007	an actual	2006	2007	
	(in					l
	EURm)	(in EURm)	structure	(as % of sales)	(as % of sales)	l

			basis		
Interior Solutions	726	739	+1.8%	11.3%	11.1%
Insulation	358	447	+24.9%	14.1%	16.1%
Gypsum	368	292	-20.7%	9.4%	7.6%
Exterior Solutions	322	321	-0.3%	7.2%	7.1%
Building Materials	204	175	-14.2%	7.6%	6.7%
Pipe	118	146	+23.7%	6.6%	7.6%
Construction Products sector	1,048	1,060	+1.1%	9.6%	9.5%

			Change on		
V. CAPITAL EXPENDITURE	2006 (in	2007	an actual	2006	2007
	EURm)	(in EURm)	structure	(as % of sales)	(as % of sales)
			basis		
Interior Solutions	632	621	-1.7%	9.8%	9.4%
Insulation	145	199	+37.2%	5.7%	7.1%
Gypsum	487	422	-13.3%	12.5%	10.9%
Exterior Solutions	212	209	-1.4%	4.7%	4.6%
Building Materials	142	133	-6.3%	5.3%	5.1%
Pipe	70	76	+8.6%	3.9%	4.0%
<b>Construction Products sector</b>	844	830	-1.7%	7.8%	7.5%